

**TOWN OF DARIEN  
BOARD OF FINANCE  
SPECIAL MEETING  
APRIL 18, 2016**

**ATTENDANCE:** Jon Zagrodzky, Chairman; James McLaughlin, Frank Huck, Bruce Orr, James Palen

**ABSENT:** David Lopiano, Diana Maguire

**STAFF:** Jennifer Charneski, Finance Director

**OTHERS:** First Selectman Jayme Stevenson, Michael Harman, Darien BOE Chairman, Dr. Dan Brenner, Darien Superintendent of Schools; Elizabeth Hagerty-Ross, Board of Education Co-chair

**CALL TO ORDER.**

Mr. Zagrodzky called the meeting to order at 8:05 p.m. A quorum was present.

**BUDGET DISCUSSION**

Mr. Zagrodzky said that the purpose of the meeting was to reconsider the budget and this would be done by having the discussion first and then possibly having a motion to reconsider to reset the spending.

Mr. Orr said that he had been thinking about this all week and some of his concerns were the fact that the State's budget was only proposed. He said that he was strongly concerned about reacting to this because it might not happen. The process that the Board of Finance goes through every year is actually an authorization to tax the taxpayers. He said that he did not want to tax the residents with an additional \$176.00 if the budget cuts did not happen. He added that he was extremely supportive of taking a more conservative approach to the budget. He said that he was very supportive of the way that Mr. Zagrodzky, First Selectman Stevenson, and Mr. Harman have worked so hard to address this issue.

Mr. Zagrodzky said he appreciated the discussion with Mr. Harman earlier in the day. Taking a balanced approach to this situation has seemed to be the right way to go. The removal of the Capital Projects is simply a deferral of the projects.

Mr. Huck said that there was a chance that not all the cuts will be made or the grants will not be cut. He said that it would be a good move to be conservative in their approach to the budget. If grant funding does become available, then there is no reason why the

Board of Finance could not do a Special Appropriation for a project and restore some of the Capital spending.

Mr. Zagrodzky explained that the Town will probably be bonding some projects and that some of the deferred projects could be included in the bond, also, if the ECS funding was eliminated.

Mr. Palen said that it would be important to maintain a healthy fund balance. He said that the Board found out about these potential State cuts before they voted on the overall budget. That is another reason to be conservative on the budget as well.

Mr. Zagrodzky then listed the following proposed Capital projects that would be cut: the track repair at the high school; the replacement of the second floor windows at Holmes School; the replacement of the library windows at Royle School; and the resealing and relining of the parking lot at Tokeneke. Mr. Zagrodzky explained the method that the BOE uses to present the various Capital Projects to the Board of Finance. He said that the Board of Finance had inadvertently approved both the Priority 1 and Priority 2 BOE Capital Projects. In light of the pending ECS budget cuts, the four projects on the list that had been eliminated were all Priority 2 projects.

The Town Hall generator was recommended to be deferred at this time.

The five Board of Education Priority 1 Capital projects that are recommended for deferral at this time are: the proposed High School storage facility; the carpet at Middlesex Middle School; the renovation of the Ox Ridge gym floor; the replacement of the Land Trekker Trailer; and the replacement of the 1997 BOE truck. These projects come to a total of \$430,000 for a total savings of \$612,500 when combined with the other deferred BOE Capital projects. Along with the deferred Town project, the budget would be reduced by \$826,500.

The remaining \$455,425 would be covered by additional property taxes which will result in an increase of the mill rate. The previously approved mill rate was 15.73 mills. With the changes, the mill rate would be 15.79 mills. The percentage increase will go from 2.48% from last year to 2.87% this year.

First Selectman Stevenson said that she supports the recommendations.

Mr. Harman said that the BOE faces challenges regarding these cuts. He said that it seems like the greatest burden was placed on the BOE in a very short time. He said that Board members were concerned that the next thing that would be cut would be the Excess Cost Sharing.

Mr. Harman asked what the process would be to reinstate the various projects if the ECS funding is not cut. Mr. Zagrodzky said that there would not be any changes in the

process. He said that he was not in favor of cuts that would impact the students. There has been significant communication between himself and Mr. Harman about this issue. The education and safety of the Darien students is paramount. The Board of Finance will be flexible. Mr. Zagrodzky added that the BOE would not have put the various projects on the list if they were not important. The BOF recognized this. If the ECS funding is restored or the cafeteria project moves forward quickly, Mr. Zagrodzky said that the BOF would reconvene quickly so as not to delay the projects any further.

Dr. Brenner came forward and said that Mr. Harman had not had a chance to convene his Board to discuss these changes and Dr. Brenner has not had a chance to speak to the Board members about these changes, either. He pointed out that when the Operating Budget was created, there was a conservative projection of \$500,000 included in the Excess Cost figure. There are major concerns that this might cause a problem. Dr. Brenner said that they had no additional information at this point.

Mr. Orr asked Dr. Brenner for his opinion on the actual legality of the State's elimination of the Excess Cost Sharing for Darien. Dr. Brenner said that he was not sure, but knew that it was impacting towns all over the State. He said that there were also concerns about the Federal Grant funding. A brief discussion followed.

Dr. Brenner said that he understood that the BOF had to reduce the various Capital projects. He said that as an individual and not speaking for the BOE, he said that the Ox Ridge gym floor was a safety issue. He cautioned the BOF about this because safety issues have an unpleasant way of coming back to haunt the group.

The John Deere vehicle, while only \$15,000, is critical for the operation of the District. Dr. Brenner reiterated again that he was not speaking for the BOE. Mr. Zagrodzky noted that Ms. Hagerty-Ross, another Board Member, was nodding her head in agreement with Dr. Brenner's statements.

The discussion then moved to the costs of the track and the turf field. Ms. Hagerty-Ross pointed out that there had been a discussion regarding the two projects and that they were both made of different materials. Therefore, the BOE separated the work into two different projects. Dr. Brenner added that it would become more difficult if the track was done before the field.

Mr. Harman asked if there was any way to prioritize the cuts by the dollar amount. Mr. Zagrodzky said that the choice of projects to include on the cut list was a bit arbitrary as he had only been informed of the situation a few hours before the meeting. He said that he was trying to take a balanced approach and removed Capital items that did not require immediate action. The goal was to make the cuts where it was not catastrophic and easily fixable if the ECS funding was restored. By restoring the Ox Ridge gym floor replacement and the John Deere vehicle, it would increase the budget by an additional

\$60,000 and would still result in a balanced approach. The BOF members agreed this could be possible.

Ms. Charneski said that this would bring the mill rate up to 15.80 and result in a 2.93% increase over the current year.

Ms. Hagerty-Ross said that not hearing about this issue until 5 p.m. was a bit disconcerting. However, she pointed out that ECS has nothing to do with the BOE. The BOF was putting the burden of the cut that may or may not happen on the BOE and the taxpayers. She reminded everyone that the BOE had already delayed the \$1 million dollar request for the cafeteria expansion. She said that she would have expected a bit more back from the town side to be a more balanced approach. She said that the BOF should let the BOE come up with the cuts and pointed out that the BOE had not had a chance to discuss this at all. She listed a number of reasons why the gym floor was a safety issue and the storage space should not be cut. She said that the BOF should look at the Town budget again and cut there.

Mr. Zagrodzky said that he did not remember a time since he's been involved in the Town governance where the BOF has cut the BOE Operating Budget. He said that if the Excess Cost Sharing grant did not come through, he would not support cutting the BOE budget because it is important to maintain a stable education system. He added that he was in agreement with many of the comments.

However, Mr. Zagrodzky pointed out that having gotten to this point, there were only three things that were being deferred until the situation with the Educational Cost Sharing is clearer. Those three projects are a storage unit, a carpet and a truck, totaling \$370,000. He said that he would entertain suggestions from the BOE about substituting other potential projects for deferment.

Dr. Brenner asked what would happen if the State restored something like \$325,000 to the budget. Mr. Zagrodzky said that he would like to encourage Dr. Brenner to not think of this as a binary issue of getting the funding or not getting the funding. This is about deferring the projects. There is a variety of outcomes, each of which has a different scenario attached to it. It is a timing issue and the Town is waiting for more information. Discussion followed.

Mr. Zagrodzky said that the BOF would consider whatever decision the BOE came to regarding the proposed deferred projects, but pointed out that the BOF would be voting to send the budget to the RTM later in the meeting. If there was a need to reconvene the BOF to make adjustments to BOE budget, he was more than willing to do so.

Mr. McLaughlin said that he was not clear on Ms. Hagerty-Ross' comment regarding the Town not taking their fair share of the deferment cuts. Ms. Hagerty-Ross replied that there was a different method that the BOE used to handle their budget. The BOF

appropriates a lump sum to the BOE and then the BOE manages it. However, the BOF can eliminate any Capital project that they wish to as of right. In the past, there have been conversations between the BOE chair and the BOF chair about the various Capital projects after the BOE had decided on their own which projects could be eliminated. She pointed out that the Educational Cost Sharing funding goes back to the taxpayers via the General Fund. The Excess Costs funding also goes into the General Fund. Because of the recent audit, the BOE had a negative balance in the Excess Cost funding. However, in previous years, the final balance between the Cost Sharing and the Cost Reimbursement has been surplus added back into the General Fund for the Town. She said that the BOE was still dealing with the term “deferral”. She said that she was concerned about placing the burden on the taxpayers and everyone is looking to insure it is being fairly done.

Mr. Zagrodzky said that he said he takes all this seriously and that the collaboration that happened in the budget process this year was excellent and will set the stage for the coming years. He added that when he makes a statement, he means it and is willing to be held to the statement. Mr. Zagrodzky then stated that after this process, if there is a need to reconsider the Capital projects, particularly the projects that are Priority 1s because they are crucial to some of Dr. Brenner’s initiatives or it involves the safety of the students, he would call for the BOF to be reconvened to restore the funding and Mr. Zagrodzky would not rest until Mr. Davis put it back on the agenda for F&B. He reiterated that the BOF was just deferring the projects until there is more definitive information about the fate of the grants.

Mr. Palen asked if the BOF was about to approve a \$2.2 million dollar budget for the BOE. He wished to know if the BOF had the authority to shift the funding from one project to another if the BOE came back to the BOF. Mr. Zagrodzky said that it would be up to the BOE to decide. Discussion followed about the approval process and Special Allocation.

**POSSIBLE AMENDMENT TO BUDGET RESOLUTION APPROVED**  
**APRIL 7, 2016**

**\*\* MR. ORR MOVED TO RECONSIDER THE BUDGET THAT WAS APPROVED ON APRIL 7, 2016 AND TO REPLACE IT WITH THE REVISED RESOLUTION WITH THE FOLLOWING THREE APPROPRIATIONS:**

**THE CAPITAL EXPENDITURES OF \$5,180,227;**

**THE SELECTMAN’S OPERATING BUDGET OF \$46,748,692; AND**

**THE UNCHANGED BOE OPERATING BUDGET OF \$93,847,816.**

**FOR A TOTAL OF \$140,596,508 AND A MILL RATE OF 15.80.**

**\*\* MR. MCLAUGHLIN SECONDED.**

Mr. Palen asked if the only change was to the Capital Budget. Mr. Zagrodzky said that it was.

**\*\* THE MOTION PASSED UNANIMOUSLY.**

**ADJOURNMENT**

**\*\* MR. PALEN MOVED TO ADJOURN.**

**\*\* MR. MCLAUGHLIN SECONDED.**

**\*\* THE MOTION PASSED UNANIMOUSLY.**

The meeting adjourned at 8:50 p.m.

Respectfully submitted,

Jon Zagrodzky  
Chairman, Board of Finance

Prepared by

S. L. Soltes  
Telesco Secretarial Services